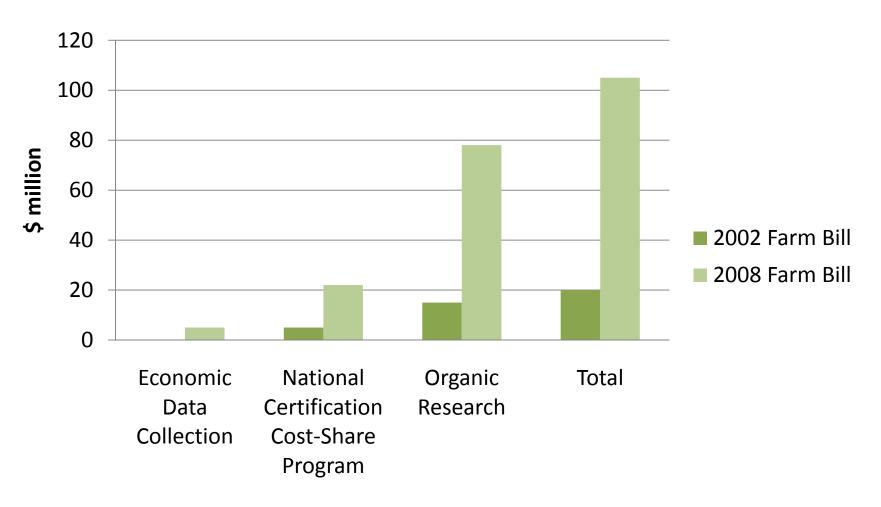
## A Snapshot of Organic Agriculture Activities at USDA

Post 2008 Farm Bill

Shannon Nally USDA, AMS, National Organic Program

Natural Products Expo East October 16, 2008

## Mandatory Spending on Organic Agriculture

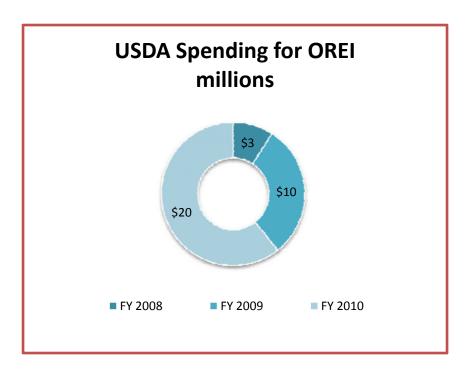


# Organic Agriculture Research and Extension Initiative Farm Bill - Title VII Research

- Mandates \$78 million for fiscal years 2009-2012
  - The 2002 Farm Bill mandated \$15 million over the lifecycle of that legislation.
- Adds 2 new priorities to the 6 existing purposes:
  - Examining optimal conservation and environmental outcomes relating to organically produced agricultural products
  - Developing new and improved seed varieties that are particularly suited for organic agriculture

## Organic Research and Extension Initiative: Actions

- Increase proportion of proposals funded
- Fund projects with longer time horizons, up to 10 years



- Publication of the Request for Applications is targeted for January 2009;
   grant announcements in May 2009.
  - Cooperative States Research, Education and Extension Serivce

### National Organic Certification Cost-Share Program

Farm Bill - Title X Horticulture and Organic Agriculture

\$22 million for fiscal year 2008, to remain available until expended



An increase from the \$5 million over the life of the 2002 Farm Bill

Cost-share payments may cover up to 75% of the costs incurred in obtaining organic certification



Maximum reimbursement to a producer or handler is raised from \$500 to \$750

### **AMA Certification Cost-Share Program**

#### Farm Bill – Title II Conservation

Funds from the Agricultural Management Assistance Program

- \$1.5 million for FY 2009 to producers in 16 States, now including Hawaii
- Increase from \$1.0 million in FY 2008
- Cost-share payments may cover up to 75% of the costs incurred in obtaining organic certification, not to exceed \$750/producer
  - Maximum reimbursement increases from \$500

### Organic Certification Cost-Share: Actions

- National Organic Certification:
- Cooperative agreements have been established for 49 states.
   These will be amended to make funds available for FY 2008 to those states that depleted funds from the previous allocation.

AMA: Cooperative agreements with 16 states are completed. Reimbursements will be provided to eligible operations that received certification or update of certification during FY 2009, (Oct. 1, 2008, through Sept. 30, 2009).

### Organic Production and Market Data Initiatives

Farm Bill - Title X Horticulture and Organic Agriculture

- Collect and distribute comprehensive reporting of prices relating to organically produced agricultural products;
- Conduct surveys and analysis and publish reports relating to organic production, handling, distribution, retail, and trend studies (including consumer purchasing patterns; and
- Develop surveys and report statistical analysis on organically produced agricultural products.

## Organic Production and Market Data: Actions

- Expanded price reporting for organic products
- Organic markets currently reported for fruits and vegetables:
  - **▲** Shipping Point

21 Commodities reported

Most often – apples, carrots, strawberries

Terminal Markets

103 Commodities reported

Most often – apples, bananas, carrots

Retail

Five items weekly, organic and conventional

## Organic Production and Market Data Collection: Actions

Expanded price reporting for organic products

#### Poultry and Eggs

Weekly reports at wholesale and retail levels

#### Grain and feedstuffs

2 biweekly reports for the Upper Midwest and Eastern Cornbelt states

#### Dairy

Monthly reports on prices for organic milk products in Federal Milk Order Marketing Areas

## Organic Data Collection and Analysis: Actions

- Follow-on survey to the 2007 Census of Agriculture
- Ongoing research on organic production and marketing by the Economic Research Service:
  - Adoption of certified organic farming systems
  - Organic handler surveys
  - Consumer Demand and Organic Prices
  - Organic Production Costs and Returns

- National Agricultural Statistical Service
  - Economic Research Service

### **Conservation Programs**

#### Farm Bill - Title II

- Conservation Stewardship Program
- Coordinate with organic certification establish a transparent means by which producers may initiate organic certification while participating in this program.
- Ensure that outreach and technical assistance are available, and program specifications are appropriate to enable organic producers to participate in the program.

#### **Conservation Programs**

#### Farm Bill - Title II

- Environmental Quality Incentives Program
- Authorizes payment to producers for conservation practices related to organic production and to the transition to organic production, not to exceed \$20,000 per year or \$80,000 during any 6 year period.
- Requires that conservation practice standards incorporate organic crop production and that the appropriate range of conservation practices and resource mitigation measures is available to producers involved with organic agriculture
- Ensure that adequate technical assistance is available for implementation of conservation practices by producers involved with organic production.

#### **Conservation Programs**

Farm Bill - Title II

Conservation Reserve Program

CRP land that is transitioning from a retiring farmer or rancher to beginning or socially disadvantaged farmer or rancher: beginning 1 year prior to contract termination date, new farmer or rancher is allowed to make land improvements and begin organic certification process.

### **Conservation Programs: Actions**

CSTP and EQIP Programs: Rulewriting

Opportunities to provide technical support for organic production will be available when rules are published and programs are announced

CRP: Preparation of Environmental Impact Statement for compliance with NEPA

- Natural Resources Conservation Service
  - Farm Service Agency

### Federal Crop Insurance

#### Farm Bill – Title XII Crop Insurance

- Requires the Federal Crop Insurance Corporation to enter into a contract(s) to study whether there are "significant, consistent, and systemic variations in loss history between organic and nonorganic crops."
- If the study finds variations, collectively or on an individual crop basis, FCIC is directed to eliminate or reduce the 5% premium surcharge for coverage of organic crops.
- Develop a procedure to offer producers of organic crops a price election that reflects actual prices received by organic producers for prices from the field (including retail and wholesale prices) for organic crops. The price election should begin in 2010.

## Federal Crop Insurance for Organic Crops: Actions

The Risk Management Agency will solicit bids to enter into a contract(s) by December 18, 2008.

 No changes to insurance for organic farming practices in fiscal year 2009.

## Conservation Loan and Loan Guarantees

Farm Bill -Title V Credit

In making or guaranteeing conservation loans, gives priority to owners or tenants who use the loans to convert to sustainable or organic agricultural production systems.

## Conservation Loan and Loan Guarantees: Actions

Program is unlikely to be funded in Fiscal Year 2009.

 Organic producers remain eligible for direct and guaranteed ownership and operating loans.

#### Farm Bill 2008: USDA Activities for Organic Agriculture Web Resources

- Research: Organic Agriculture Research and Extension Initiative
- Request for Application (RFA) (expected publication in January 2009), abstracts of previously funded projects:
- http://www.csrees.usda.gov/fo/integratedorganicprogramicgp.cfm

Organic Certification Cost-Share: National Organic Certification Cost-Share Program and Agricultural Management Assistance Program (available to producers only in 16 states): http://tinyurl.com/4vcxbb

- Organic Data Collection and Analysis: Price and sales reports
- Fruits and vegetables: http://www.marketnews.usda.gov/portal/fv
- Milk products: http://www.ams.usda.gov/DairvMarketStatistics
- Grain and feedstuffs:
- http://www.ams.usda.gov/AMSv1.0/ams.fetchTemplateData.do?template=TemplateN&navID=MarketNewsAndTransportationData&leftNav=MarketNewsAndTransportationData&page =LSOrganicReports
- Poultry and eggs:
- http://www.ams.usda.gov/AMSv1.0/ams.fetchTemplateData.do?template=TemplateN&navID=MarketNewsAndTransportationData&leftNav=MarketNewsAndTransportationData&page =PYMarketNewsReportsOrganic&acct=pmn

- Economic Research Service, Organic Briefing Room:
- http://www.ers.usda.gov/Briefing/Organic/

- **Conservation Programs:**
- Environmental Quality Incentive Program, Conservation Stewardship Program (Natural Resources Conservation Service): http://www.nrcs.usda.gov/programs/
- Technical Service Providers: http://techreg.usda.gov/
- Conservation Reserve Program (Farm Service Agency):
- http://www.fsa.usda.gov/FSA/webapp?area=home&subject=copr&topic=landing

- Crop Insurance:
- Federal Crop Insurance Programs (Risk Management Agency):
- http://www.rma.usda.gov/
- Bid solicitation for the contract to study loss history comparisons of organic and non-organic crops will appear here: http://www.rma.usda.gov/aboutrma/opportunities/contracting.html
- Credit:
- Direct and Guaranteed Loans (Farm Service Agency): http://www.fsa.usda.gov/FSA/webapp?area=home&subject=fmlp&topic=landing
- Trade:
- Market Access Program: http://www.fas.usda.gov/mos/programs/map.asp
- Organic Attaché reports: <a href="http://www.fas.usda.gov/agx/organics/organics.asp">http://www.fas.usda.gov/agx/organics/organics.asp</a>